

# Fiscal Note

State of Alaska  
2022 Legislative Session

Bill Version:	CSSB 199(FIN)
Fiscal Note Number:	1
(S) Publish Date:	4/25/2022

Identifier: SB199CS(FIN)-4-20-2022  
Title: PERM FUND; PERMANENT FUND DIVIDEND  
Sponsor: FINANCE  
Requester: (S)FIN

Department: Permanent Fund  
Appropriation: Permanent Fund Dividends  
Allocation: Permanent Fund Dividend Fund  
OMB Component Number: 2616

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Personal Services							***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous	1,680,283.6		818,000.0	889,000.0	912,000.0	934,000.0	
<b>Total Operating</b>	<b>1,680,283.6</b>	<b>0.0</b>	<b>818,000.0</b>	<b>889,000.0</b>	<b>912,000.0</b>	<b>934,000.0</b>	<b>***</b>

## Fund Source (Operating Only)

1041 PF ERA (UGF)	1,680,283.6		818,000.0	889,000.0	912,000.0	934,000.0	
<b>Total</b>	<b>1,680,283.6</b>	<b>0.0</b>	<b>818,000.0</b>	<b>889,000.0</b>	<b>912,000.0</b>	<b>934,000.0</b>	<b>***</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2022) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2023) cost:** 0.0 (separate capital appropriation required)

**Does the bill create or modify a new fund or account?** No  
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

## Why this fiscal note differs from previous version/comments:

Modified to reflect changes outlined in version I.

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Agency: Office of Management and Budget

Phone: (907)465-2178  
Date: 04/20/2022 12:00 AM  
Date: 04/20/22

REPORTED OUT OF  
SFC 04/24/2022

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2022 LEGISLATIVE SESSION

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**Analysis**

This legislation changes the amount calculated for the appropriation for the payment of permanent fund dividends to 50 percent of the 5.0 percent of market value (POMV) draw from the permanent fund earnings reserve account (ERA) effective immediately. Effective July 1, 2023, the distribution from the ERA changes to 25% to the permanent fund and 75% to the general fund. The distribution changes back to 50/50 if, by December 15, 2026, the commissioner of Revenue and the director of the Legislative Finance Division jointly agree that revenue measures anticipated to generate at least \$800,000,000 of new annually recurring general fund revenue, when compared to annual revenue generated from the statutes as they read on June 30, 2022, have been passed by the legislature and enacted into law.

Providing the conditional requirement is met, effective July 1, 2027, this legislation allows for the legislature to appropriate 50 percent of the statutory POMV draw to the general fund and 50 percent to the dividend fund for the payment of permanent fund dividends (PFDs).

The values on page one of this fiscal note for fiscal years 2023 through 2027 presume the conditional requirement is satisfied. With the uncertainty of the new revenue conditions, it is premature to determine the FY28 calculation at this time and therefore is indeterminate.

There is no fiscal impact to the operations of executive branch agencies resulting from this legislation.